

imposed in the absence of State or local tax. Where there is more than one price for the same cigar in its principal market, the tax to be paid shall be determined, at the time of removal, according to the price at which the majority are sold therein. Subsequent retail sale at a price in excess of the maximum for the class at which tax paid will not, in itself, cause the manufacturer to incur any additional tax liability.

(72 Stat. 1414, as amended; 26 U.S.C. 5701)

[T.D. 6961 (33 F.R. 9487) eff. 4-1-68]

#### § 270.23 Cigarette tax rates.

On cigarettes, manufactured in or imported into the United States, the following taxes are imposed by law:

CLASS A (a) Small cigarettes. \$4 per thousand. ~~NOT MORE THAN 3 1/2 IN PER 1000~~

CLASS B (b) Large cigarettes. \$8.40 per thousand; except that where such cigarettes are more than 6½ inches in length, the rate of tax is \$4 per thousand; counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(72 Stat. 1414; 26 U.S.C. 5701)

~~NOT MORE THAN 3 1/2 IN PER 1000~~

#### § 270.24 Classification of cigarettes.

For tax purposes, small cigarettes are designated Class A and large cigarettes are designated Class B.

(72 Stat. 1414; 26 U.S.C. 5701)

#### § 270.25 [Deleted]

#### § 270.26 Persons liable for tax.

The manufacturer of tobacco products shall be liable for the taxes imposed on cigars and cigarettes by section 5701, I.R.C.: Provided, That when cigars and cigarettes are transferred in bond pursuant to section 5704, I.R.C., to the bonded premises of another such manufacturer or an export warehouse proprietor, the transferee shall become liable for the tax upon receipt by him of such products and the transferor shall thereupon be relieved of his liability for the tax. When cigars and cigarettes are released in bond from customs custody for transfer to the bonded premises of a manufacturer of tobacco products, the transferee shall become liable for the tax on such products upon release from customs custody. Any person who possesses cigars or cigarettes in violation of section 5751(a) (1) or (2), I.R.C., shall be liable for a tax equal to the tax on such products.

(72 Stat. 1417, 1424; 26 U.S.C. 5703, 5751)

[T.D. 6871 (31 F.R. 32) eff. 1-1-66]

#### § 270.27 Assessment.

Whenever any person required by law to pay tax on cigars or cigarettes fails to pay such tax, the tax shall be ascertained and assessed against such person, subject to the limitations prescribed in section 6501, I.R.C. The tax so assessed shall be in addition to the penalties imposed by law for failure to pay such tax when required. Except in cases where delay may jeopardize collection of the tax, or where the amount is nominal or the result of an evident mathematical error, no such assessment shall be made until and after notice has been afforded such person to show cause against assessment. The person will be allowed 45 days from the date of such notice to show cause, in writing, against such assessment.

(72 Stat. 1417; 26 U.S.C. 5703)

[T.D. 6871 (31 F.R. 32) eff. 1-1-66]

### Subpart D—Administrative Provisions

#### § 270.41 Forms prescribed.

The Director is authorized to prescribe all forms required by this part. All of the information called for in each form shall be furnished as indicated by the headings on the form and the instructions thereon or issued in respect thereto, and as required by this part. When a return, form, claim, or other document called for under this part is required by this part, or by the document itself, to be executed under penalties of perjury, it shall be so executed.

#### § 270.42 Authority of internal revenue officers to enter premises.

Any internal revenue officer may enter in the daytime any premises where cigars or cigarettes are produced or kept, so far as it may be necessary for the purpose of examining such products. When such premises are open at night, any internal revenue officer may enter them, while so open, in the performance of his official duties. The owner of such premises, or person having the superintendence of the same, who refuses to admit any internal revenue officer or permit him to examine such products shall be liable to the penalties prescribed by law for the offense.

(68A Stat. 872, 903; 26 U.S.C. 7342, 7606)

[T.D. 6871 (31 F.R. 32) eff. 1-1-66]

#### § 270.43 Interference with administration.

Whoever, corruptly or by force or threats of force, endeavors to hinder or

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